HEUBLEIN, INC. 1970 ANNUAL REPORT

The cover and photos in this report depict occasions characteristic of an emerging new life style that provides a growing market for Heublein products.

Fiscal 1969-70 tested the growing resources of our company and the many responses, in addition to the record sales and earnings-per-share, were most gratifying.

Allowing the prior year as a period of shakedown and adjustment to our new decentralized system of operation, this year was the critical one for the five operating divisions, performing as separate profit centers. Each controlled its own production, marketing, sales and finance.

In total the result is another record year for the company with sales up 12 per cent and earnings-per-share ahead by 14 per cent.

All divisions contributed to the profitable performance while making material gains in their own operations. New organization strengths, greater efficiencies and cost controls were notable in the year's results.

Without attempting to single out individual performances it is important to note that the Heublein International Division increased its export sales by 30 per cent, while a regular performer, A.1. Sauce, compounded its growth by 18 per cent. This demonstrates the capacity for thrust that has been generated in our company.

This was also our first full year's experience with a greatly expanded domestic agribusiness. Until we acquired the wine-grape processing operations of United Vintners our experience with agriculture was confined mainly to the tomato and chile pepper crops that go into the sauces and specialty products made by our Consumer Products Division. But last year United Vintners processed 460,000 tons of grapes acquired chiefly under a contract with our partner, Allied Grape Growers. Processing, aging, marketing and selling the widest line of wines in the United States is the job that United Vintners handles with expertise and it increased its efficiency this year. Its sales were ahead by 10 per cent in both unit and dollar volume.

In spirits, which we regard as the established or senior part of our business, sales of Smirnoff Vodka moved ahead at a rate 50 percent greater than that of the alcoholic beverage industry. World-wide case sales topped the five million mark for the first time. We strengthened our position in the fast-growing Canadian whisky market and successfully marketed new cocktail mixes in cans, maintaining our lead in that market.

Hamm's had some of the toughest competition of all, expanding its sales in established markets and moving into new ones like St. Louis, the homegrounds of its largest competitor. With it all, sales reached their second highest level.

Looking beyond these gains to others proffering future strengths, we made important additions to our organization and to our production facilities.

John Bifone, who has had a background as senior executive and consultant in electronic data processing for major U.S. corporations, joined us as vice-president of management information systems. Advanced computer technology is increasingly important to the key marketing and financial decisions of our expanding operations.

Alan R. Gruber, formerly director of planning for Xerox, was named vice-president for corporate development with responsibility for long-range growth planning and acquisitions.

George J. Caspar, formerly assistant general counsel, was named corporate secretary and associate general counsel, succeeding Mary G. Falvey, who retired as secretary after 45 years' service with Heublein.

In addition we made promotions and additions to our middle management throughout the organization in accord with a plan to provide career executives for tomorrow.

Among the major plant facilities added during the year were two new wineries. One, a Lancers Vin Rosé winery, near Lisbon, Portugal, doubles production immediately and provides for doubling it again as needed. It was built in cooperation with our associate, the José Maria da Fonseca firm. The other new winery, at Madera, California, expands by 50 per cent our capacity for producing champagnes and sparkling wines, which are increasingly popular in this country.

Also at Madera, a multi-million dollar glass container plant is under construction which will produce 200 million bottles a year for the use of United Vintners. This is a joint venture with Indian Head, Inc.

In another cooperative venture, the Theodore Hamm Brewing Co. and Continental Can Co. completed a can plant that supplies the needs of the St. Paul brewery.

At Menlo Park, California, western base for the production of our branded spirits products, facilities were expanded by 50 per cent. And, at the Hartford headquarters, we installed a new research laboratory with the latest equipment for product development and quality control work so essential in the world-wide operation of our franchise consumer packaged goods business.

All these moves reflect our confidence in the future of this business. It is a future marked by expanding world population, and a greater concentration of adults, growing affluence, and a changing life style that provides for more social and recreational occasions.

Confirmation of this outlook, coming from others, may have prompted the rapid acceptance by the financial community of the $50 million in 5¾ per cent debentures.

We would like to pay tribute to Richard Rapport, a long-time director of Heublein, who died last February, and to Thomas D. Mann, Mary G. Falvey, J. Harold Williams and Joseph A. Prochaska, former directors who have been appointed advisory directors. They served Heublein loyally as directors or officers for a total of more than 100 years and made significant contributions to the Company's growth.

In summarizing we wish to express our special thanks to our employees for a dedicated performance; to the members of the board of directors and to its chairman, Ralph A. Hart, who, as he retires from that post in October, will continue to serve as consultant to our company; to the members of the Executive Committee and its head, John G. Martin; and to the agencies and suppliers who serve us so well. Each of these, in special ways, contributed to our record performance.

We have made our plans for fiscal 1971 and look forward optimistically to another record year.

Stuart D. Watson
President and Chief Executive Officer

THE YEAR IN BRIEF

Years Ended June 30	**1970**	1969
Net sales	**$583,072,000**	$520,855,000
Income before provision for income taxes	**38,003,000**	37,103,000
Income taxes – federal and state	**20,557,000**	20,533,000
Net income	**17,446,000**	16,570,000
Earnings per share and common equivalent	**1.45**	1.27
Earnings per share assuming full dilution	**1.36**	1.21
Cash dividends declared per common share	**.79**	.75
Working capital	**82,827,000**	46,232,000
Total stockholders' equity	**95,606,000**	85,836,000
Stockholders' equity – per common share	**4.57**	3.17
Number of common shareholders	**16,322**	15,952

Ralph A. Hart will retire as chairman of the board in October of this year having reached the age prescribed under the company's retirement program. A member of the board of directors since June, 1961, he will stand for re-election at the annual meeting of shareholders on October 15, 1970.

Mr. Hart's personal contributions to the growth of the Heublein Co., starting when he joined the company and was elected president in 1961, are almost too numerous to recount here.

Perhaps the character of the man and his sense of commitment is best summed up in a single observation. Shortly after joining Heublein, when sales were about $100 million, he announced a goal of a half-billion in sales to be reached within 10 years. The goal seemed awesome at the time but it was exceeded two years ahead of schedule.

Recalling his search for the man who could lead Heublein through a second new phase of growth, John G. Martin, chairman of the Executive Committee, says:

"Naturally, we wanted a man of the very highest qualifications . . . a man with vision, energy, experience and dedication. Luckily, we found him in Ralph Hart. He brought this company to a new and higher plateau from which we are building for tomorrow."

A tireless executive, an inveterate world traveler, Mr. Hart has enjoyed an interesting career in international business, including service in India during the early days of that country's economic awakening in the 1930's. He is a strong exponent of Heublein's expansion overseas and today Smirnoff is sold in 34 countries through franchisees. Heublein products are also exported to more than 100 countries of the Free World.

Mr. Hart brings a world marketing viewpoint to other companies whose boards he also serves including Allis Chalmers, Inc., Economic Laboratory, Inc., The Emhart Corporation, Connecticut Bank & Trust Co., Connecticut Mutual Life Insurance Co., International Distillers and Vintners of London, England, and Destilby, S.A., of Mexico.

Apart from his busy career, Mr. Hart has found time to serve the United States Government as advisor to the General Services Administration. He is President Nixon's appointee as Chairman of the National Alliance of Businessmen's drive to reduce hardcore unemployment in the Greater Hartford area.

Mr. Hart will continue to serve Heublein as a consultant in many areas of its rapidly expanding business.

The Spirits and Wine Division played a major role in corporate growth in fiscal 1970, setting new records in both case sales and dollar volume, which increased more than 10 per cent.

At the close of the fiscal year the Division regrouped some of its resources to meet new market demands and changed its name to Smirnoff Beverages and Imports Company, with Christopher W. Carriuolo as president. This is consistent with the Division's growth and carries forward the successful corporate decentralization program which two years ago made each division a separate profit center.

Another objective achieved this year was the formation of a Venture Sales Group. Staffed by carefully selected sales and marketing experts, the Venture Group will spearhead the introduction of new products, development of high potential brands, and the exploration of opportunity markets.

Smirnoff Vodka again paced the division to a growth rate 50 per cent greater than that of the distilled spirits industry. Spurred by creative promotions and publicity and a new "life-style" advertising campaign, sales of Smirnoff in this country approached the 3.5 million case mark.

Smirnoff's performance was particularly gratifying in California, the nation's largest vodka market. Sales in this highly competitive area increased significantly in response to innovative promotions. The American Invitational Brunchfest program was one of the most successful. It linked Smirnoff closely with brunch, a dining occasion that is gaining in popularity among the young adult population.

Major magazines and newspapers throughout the nation reported news of the Brunchfest, which Smirnoff introduced in New York. In this event, 10 executive chefs from outstanding hotels and restaurants prepared special brunch entrees and accompanying vodka drinks for competitive judging. On the basis of its success, a Brunchfest West was subsequently held in Los Angeles, where it was also well received.

An astrological promotion featuring special Smirnoff drinks based on the 12 Signs of the Zodiac capitalized on another popular trend in American life. A unique "Break a Silly Rule" contest, giving entrants the chance to comment on irksome social customs and rules, drew nationwide notice and thousands of interesting entries.

The new "life-style" series of advertisements feature a poetic, evocative quality that has caught on with consumers. The ads depict Smirnoff as an integral part of an imaginative new life style emerging in this country.

Two other Heublein vodka brands, Popov and Relska, registered good gains during the year. Popov advanced from sixth to fourth on the national list of best-selling vodka brands and a new price structure added to the brand's profitability. Relska sales, growing steadily, are approaching a half-million cases annually.

Ostrova, a new vodka brand introduced this Spring in four test markets, met with such encouraging results that the product is scheduled to be rolled out across the nation over a period of months in carefully selected markets. Ostrova's haunting advertis-

For yachtsmen or landlubbers, Heublein adds to the spirit of the party with products such as Smirnoff Vodka, Black Velvet Canadian Whisky and Full-Strength Cocktails in bottles and cans.

ing theme "The Mysterious Mixer" features the bearded face of a young man whose steady gaze looks out from labels, outdoor billboards and other promotional materials. It has had a remarkable impact on young adults, who comprise a major share of the vodka market.

These gains have sustained Heublein's lead as the nation's principal marketer of vodka despite heightened competition. Heublein's worldwide sales of all its vodka brands now exceed six million cases a year.

In the pre-mixed cocktail business, a product category created by Heublein at the turn of the century, the most popular brand continues to be Heublein Mixed Cocktails.

Case sales of full-strength Heublein Cocktails increased more than 10 per cent during the year due mostly to the successful introduction of a line of 8-ounce pull-top cans. With national distribution complete, Heublein Cocktails in cans are gaining popularity with an increasing number of consumers.

Packaging for the Full-Strength Cocktail line was modernized during the year. This includes a new shape for the three-quarter quart bottle, the most popular of the various sizes. Labels were redesigned to make them more attractive to women and young adult consumers in general.

Sales of Heublein miniatures to transportation companies continued their steady climb, increasing by 14 per cent this year.

Club Cocktails, the Heublein innovation that introduced the canned cocktail to the marketplace, enjoyed another good sales year.

The Club line was expanded to 10 flavors with the introduction of the Champagne Cocktail on the West Coast. This is the first sparkling wine drink ever offered in a can. Consumer demand has outrun production, but new facilities are being built that will provide national distribution in the coming year.

National television advertising was a key element in the rising sales of Lancers Vin Rosé and Harveys Bristol Cream Sherry, two of Heublein's fine imported wines. They are the only imported wines to be advertised on network television. Lancers, the nation's best-selling imported wine, had a sales increase of more than 15 per cent. Further gains are expected now that the new winery in Portugal provides the production capacity to match growing consumer demand.

The additional winery enables Heublein to put new emphasis on the marketing of other fine Portuguese wines, such as Vinya, a rosé whose sales more than tripled this year.

Harveys Bristol Cream, the country's leading imported sherry, had a sales gain of almost 30 per cent. Sales of this premium sherry have almost quadrupled in the 10 years that Heublein has handled its U.S. marketing.

Bristol Cream sales benefitted substantially from special Christmas and Mother's Day promotions, because the product has a distinct appeal as a gift item.

As a result of Heublein's success in marketing Harveys wines, a favorable new long-term contract was signed that assures continuation of this mutually profitable relationship.

Whether it's the 19th hole at Florida's Doral Country Club, a pleasant sail on Lake Michigan, or a quiet lakeside interlude, the outdoor life is more enjoyable with quality Heublein beverages.

Beaulieu Vineyard had an excellent year. Demand for its premium Napa Valley wines exceeds supply. Sales increased significantly and margins of profit were improved in every product category. Plans are underway to introduce a prestigious new brandy under the Beaulieu label.

Typifying the esteem accorded Beaulieu wines, the American Society of Enologists presented its 1970 Merit Award, the top honor of its kind, to Andre Tchelistcheff, Beaulieu's wine master. The Society cited Mr. Tchelistcheff for "your attention to scientific detail, coupled with your sense of artistic perfection, which has resulted in wines of memorable quality."

Heublein's Arrow brand cordials, benefitting from new advertising and attractive packaging changes, continue to gain in share of the total cordial market. Sales were up approximately seven per cent.

A novel national advertising campaign featured the use of microencapsulized cordial scents. By merely scratching a designated part of the printed ad, readers could sample the scent of three different Arrow flavors. The advertisements also featured imaginative new cordial recipes.

Packaging changes begun the previous year were completed, with the result that 13 different shapes and sizes were consolidated into five basic shapes. This simplifies dealer inventory problems and gives the entire Arrow Cordials line stronger identity on the retailer's shelf.

Black Velvet Canadian Whisky, for which Heublein acquired exclusive long-term rights in 1963, continued its rapid sales growth this year. Sales

An outdoor barbecue takes on new zest when fine Heublein food products and drinks are added. Recipes for these tasty dishes can be obtained from the Consumer Products Division in Hartford, Conn.

of this light, versatile Canadian blend increased almost 50 per cent, making Black Velvet the fastest-growing brand among Canadian whiskies. Distribution was extended into several major new markets, and sales gained in the existing markets.

Sales increases also were achieved by two Heublein imports in the "white goods" category: Don Q Rum and José Cuervo Tequila. A new advertising campaign was developed for Don Q, utilizing the literary character Don Quixote to provide the brand with a more distinctive image. José Cuervo, the top-selling tequila brand, continued its steady growth in popularity.

José Cuervo and Heublein's Matador Tequila together account for more than 50 per cent of the growing tequila market.

Felipe II Spanish Brandy, formerly handled by Heublein's International VIntage Wines Co. subsidiary, was transferred to the Smirnoff Beverages and Imports Co. New distribution patterns and marketing programs were instituted for this highest-priced of all Spanish brandies. The brand is primarily sold in Spanish-speaking markets, but efforts are underway to establish Felipe II in a more broadly-based consumer market.

Irish Mist Liqueur, a blend of the finest Irish whiskey and Heather honey, increased sales 20 per cent during the year. Sales have quadrupled since Heublein acquired U.S. rights to this product a few years ago.

The Consumer Products Division. grew more than 15 per cent in both units sold and dollar volume, paced by another strong performance by A.1. Sauce, which is the nation's largest-selling meat sauce.

Like A.1. Sauce, the Division's other specialty foods and sauces benefitted from the changing life style of an increasing number of American consumers. Homemakers who enjoy preparing unusual, imaginative dishes for their families comprise a broadening market for the Division's varied product line.

A heavy schedule of advertising on popular television programs and in printed media told the A.1. story to millions of Americans. A number of exciting new recipes were formulated and widely distributed as part of a well-accepted promotional effort that helped increase A.1. dollar sales 18 per cent.

The year's most successful promotions included a versatile basic barbecue sauce using A.1. Sauce as the essential ingredient, and a widely publicized National Sweepstakes competition based on five favorite A.1. dishes.

A.1. Sauce also benefits from the growing popularity of dining out. It is available at most quality restaurants throughout the nation. Sales to restaurants, which are sizable, have the added value of introducing A.1. to new users.

Escoffier brand Sauce Robert and Sauce Diable, two other popular Heublein meat sauce products, benefitted from a promotional program suggesting their use in popular fondue cooking Escoffier Sauces are also available in better stores and restaurants throughout the country.

Sales of Grey Poupon Dijon-style mustard, another of the Division's specialty food items, were up 10 per

cent during the year, well ahead of the growth rate of the total mustard market.

Merchandised as "the zippy gourmet-style" mustard, Grey Poupon makes effective use of imaginative television advertising to increase its share of the market. Ads on such programs as the popular morning "Today" show and Johnny Carson's "Tonight" show provide exposure to discriminating consumers.

Snap-E-Tom Tomato Cocktail enjoyed another year of impressive growth as sales rose 24 per cent. In the past five years case sales of this spicy, chile-flavored tomato drink have more than tripled, although distribution is still limited primarily to the Western states.

Snap-E-Tom is becoming increasingly popular as a mix with Smirnoff Vodka for Bloody Marys. In-depth consumer research indicates that the potential for Snap-E-Tom exceeds, by far, its present sales.

Ortega Mexican-style foods, which are distributed mainly in Western markets, also are gaining in popularity. Sales of Ortega brand products – green chile peppers, green chile salsa, pimientos, enchilada sauce, taco sauce, jalopenos peppers, tomatoes and hot green chiles – increased 21 per cent during the year.

Strong in-store merchandising, featuring a variety of recipes and product usages, has increased the number of consumers and encouraged heavier usage among present consumers. Research is underway on new Mexican-type food products that could be marketed nationally. While such foods have traditionally appealed mainly to the Mexican ethnic market in the West and Southwest, today's more adventurous life style affords a potential national market for these zesty foods.

Theodore Hamm Brewing Co. showed a sharp increase in sales in fiscal 1970, reaching the second highest level in the company's 105-year history. Hamm's, a wholly-owned Heublein subsidiary, owns and operates breweries in St. Paul, Los Angeles, and San Francisco.

The opening of new markets in Hamm's 28 Western states sales area and a general increase in established markets were major contributing factors in the company's sales rise.

Hamm's made an increased investment in aggressive new sales and marketing programs this year. These programs achieved a greater recognition for Hamm's in the highly competitive beer market and should strengthen its profit position over the long run.

Following the successful expansion into new areas of Indiana and Louisiana a year ago, Hamm's late this year moved into the Greater St. Louis area, one of the nation's largest, most competitive beer markets. The initial reception exceeded all expectations and provides a pattern for future expansions.

Construction of a new multi-million dollar tin-free steel can plant, near the St. Paul brewery, was completed during the year. This plant, a cooperative venture with Continental Can Company, provides all the cans for the St. Paul brewery.

This new supply source will provide meaningful cost savings for Hamm's.

"Good company, good wine, good welcome, make good people" – William Shakespeare.

Above: The "good wine" being enjoyed by pre-show picnickers at the American Shakespeare Festival Theater in Stratford, Conn. is Lejon Cold Duck, a lively blend of champagne and sparkling burgundy.

Left: Young Shakespearean actors heed the Bard's words as they relax beside the Housatonic River with cool breezes and Bali Hai fruit-flavored wine.

Right: Premium quality Heublein drinks add to the enjoyment of William Parker's impressionistic paintings at the Chase Art Gallery in New York.

Below: Lancers Vin Rosé is the perfect complement to a formal dinner at the Philharmonic Cafe in Manhattan's Lincoln Center.

Additionally, the new plant produces tin-free steel cans, which can be melted down and re-used more readily than conventional cans, a potentially important factor in environmental controls. Hamm's also is working with other suppliers to develop effective reclamation programs for aluminum cans, which it uses on the West Coast. To head up its activities in this area, Hamm's appointed one of its senior executives to serve as director of environmental control.

The company strengthened its sales and distribution operations in the home market of Minneapolis-St. Paul by adding a new subsidiary – Hamm's Twin City Sales Company – whose chief objective is to increase penetration of this major market.

To increase the effectiveness of its advertising, Hamm's developed two new computerized information models to help guide the expenditure of advertising dollars. One model helps determine the most effective geographical allocation of advertising investments and the other provides guidance on the most effective timing of the ads.

A newly completed pilot brewery at the St. Paul plant gives Hamm's an important new research facility. The pilot plant is effective in new product development work since experimental brews can be made without tying up large production facilities.

With a strengthened management team and improved plant and research facilities, Hamm's is in a good position to exceed the projected brewing industry growth rate of four per cent annually in the years that lie ahead.

United Vintners, Inc. had its best year in history, achieving record sales and earnings. Gains by United Vintners wines in all price categories contributed to an over-all 10 per cent increase in case sales.

The Heublein subsidiary benefits directly from two long-range trends which it has helped to promote: the steady growth of wine consumption in the United States and increasing recognition by consumers of the quality of California wines.

U.S. wine consumption grew more than 50 per cent in the past decade, climbing 10 per cent last year alone to a record total of 236 million gallons. California wines – of which United Vintners accounts for about 28 per cent – comprise almost three-quarters of all the wine consumed in the United States.

California wine industry figures for the first five months of the 1970 calendar year indicate that the rate of growth is still accelerating. Shipments were up almost 12 per cent over the same period a year ago. Despite the increasing popularity of wines, annual per capita consumption in the U.S. is still only one gallon. This compares to 40 gallons in Italy and 44 gallons in France, showing the potential for growth in this country.

Inglenook estate-bottled wines, internationally recognized for their premium quality, head United Vintners' broad product line. Sales of Inglenook increased 54 per cent last year.

In January Inglenook introduced a new half-gallon size decanter for its Vintage Burgundy, Zinfandel, Chablis and Vin Rosé wines. Backed by full-color advertising in Life Magazine,

A wine-tasting adds a note of sophistication to an occasion for serving several of Heublein's vintage California and imported wines.

the attractive new decanters had an excellent reception from retailers and consumers.

Bidding at the Premiere National Auction of Rare Wines – presented by the wine companies of Heublein last June in Chicago – indicated that knowledgeable wine consumers are assigning dramatically higher values to premium California wines. Futures bids for 180 cases of Inglenook and Beaulieu Vineyard premium wines scheduled for delivery in 1972 were 36 per cent above today's prices for equivalent wines.

Mature California premium wines also drew bids comparable to those for the finest European imports. A single case of Inglenook Cabernet 1933 brought a price of $350, and a case of Beaulieu Cabernet 1947 drew $300.

Sales of United Vintners brands of sparkling wines also increased dramatically this year, due primarily to the growing popularity of Cold Duck, a mixture of champagne and sparkling burgundy. Lejon Champagnes and Cold Duck sales increased 76 per cent this year, while the Jacques Bonet brand gained 90 per cent.

The new champagne plant that was completed this summer at Madera, Calif., will help United Vintners meet the soaring demand for these wines. The new facility, which increases capacity for champagne and sparkling wine output 50 per cent, features the best in European and American winemaking equipment.

Bali Hai, a fruit-flavored wine of moderate alcohol content, marketed under the Italian Swiss Colony label, had a banner year. More than two million cases were sold, up 92 per cent over the previous year. Bali Hai is particularly popular with young adult consumers, many of whom can be expected to switch to premium quality wines in later years.

Gains also were recorded by many other Italian Swiss Colony varieties. These moderately priced wines, which have broad appeal for family usage and informal entertaining, have great potential for future sales growth.

United Vintners' organization was strengthened this year with the advancement of several company employees into key executive positions.

The Heublein International Division had a record year, highlighted by an 11 per cent increase in licensees' sales of Smirnoff Vodka and a 30 per cent increase in export sales. The Division strengthened its overseas marketing network and assumed worldwide marketing responsibility for additional Heublein products. Hamm's Beer and United Vintners' wines were the principal additions.

This helped implement a long-range program to broaden the Company's worldwide marketing. The Division now handles marketing of Heublein spirits, wine, beer and food products in more than 100 countries.

Keystone of the Division's growth was the continually expanding market for Smirnoff Vodka, which is by far the world's No. 1 vodka. Licensees in 34 countries increased Smirnoff sales to 1.4 million cases. Sales by a Bahamas subsidiary also increased substantially. Total case sales in all overseas markets approach the 1.7 million mark.

Smirnoff's growth was particularly impressive in Denmark, where sales

were up 30 per cent; in Iran, up 55 per cent; in Jamaica, up 30 per cent, and in Ireland and South Africa, up 17 per cent each.

The growth rate of direct export sales of Smirnoff from the United States to countries overseas was triple the domestic growth rate. The largest gains were recorded in selected European and Caribbean markets. Sales in Puerto Rico, the Virgin Islands and Bermuda grew more than 50 per cent.

The proven appeal of the Smirnoff trademark throughout the world is a major factor in the increased sales of other Heublein products. In Japan, for instance, a new line of pre-mixed cocktails introduced recently by Heublein's associate there is being sold under the Smirnoff label.

These cocktails are prepared to Heublein's specifications to meet Japanese tastes. In addition to such standard American favorites as the Manhattan and Martini, the line includes distinctly Japanese varieties such as Violet Fizz, Melon Fizz and Green Tea Fizz. The initial reaction has been highly favorable.

The overseas organization was expanded this year by the establishment of a Belgium-based subsidiary, Entreprises Heublein, S.A., and a regional office in Hong Kong.

The Belgian subsidiary will supervise the production and sale of Heublein Full-Strength Cocktails in the six-nation European Economic Community. It also will supervise European sales of other Heublein products, with emphasis on Portuguese wines, which are rapidly gaining worldwide popularity. Heublein International's sales of Lancers Vin Rosé, for example, increased more than 50 per cent during the year.

The Hong Kong office will promote sales of Smirnoff Vodka in the economically-expanding Far East and Pacific area, including Australia, New Zealand and the Philippines. Plans call for a marketing effort there for other Heublein products, including United Vintners' wines.

Sales of Heublein Full-Strength Cocktails and Smirnoff Vodka to international airlines increased 27 per cent. Many licensees were successful in having Smirnoff Vodka served aboard their respective national airlines for internal as well as international flights, adding to worldwide exposure of the brand.

Below left: The Smirnoff name helps sales of a distinctive new line of pre-mixed cocktails recently introduced in Japan by Heublein's associate there.

Left: Japan is one of more than 100 countries where discriminating consumers enjoy Smirnoff Vodka, the world's best-selling vodka.

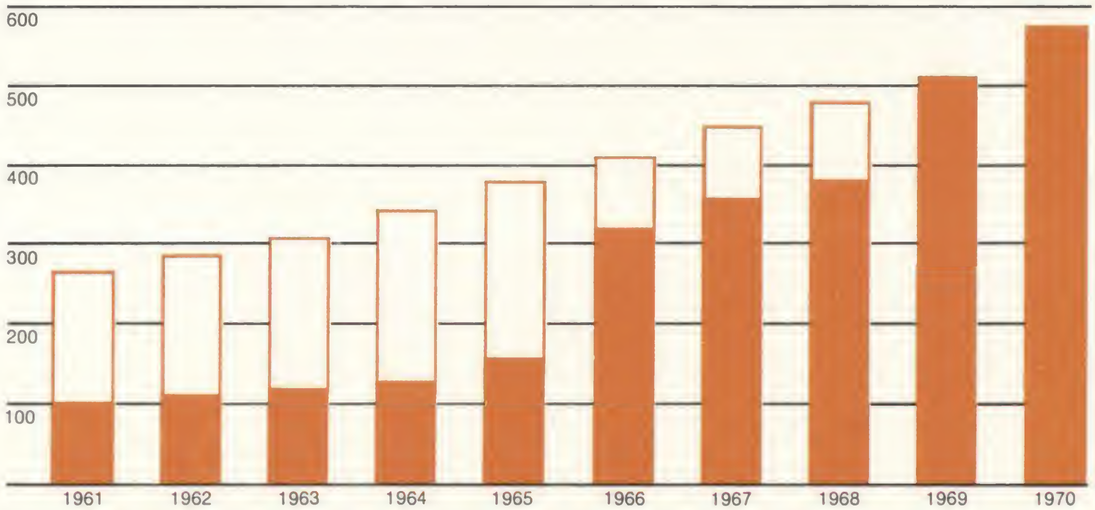
Below: Heublein miniatures and a flight aboard Pan Am's new 747 jetliner provide a passport to adventure.

HEUBLEIN, INC.
1970 FINANCIAL DATA

A DECADE OF GROWTH

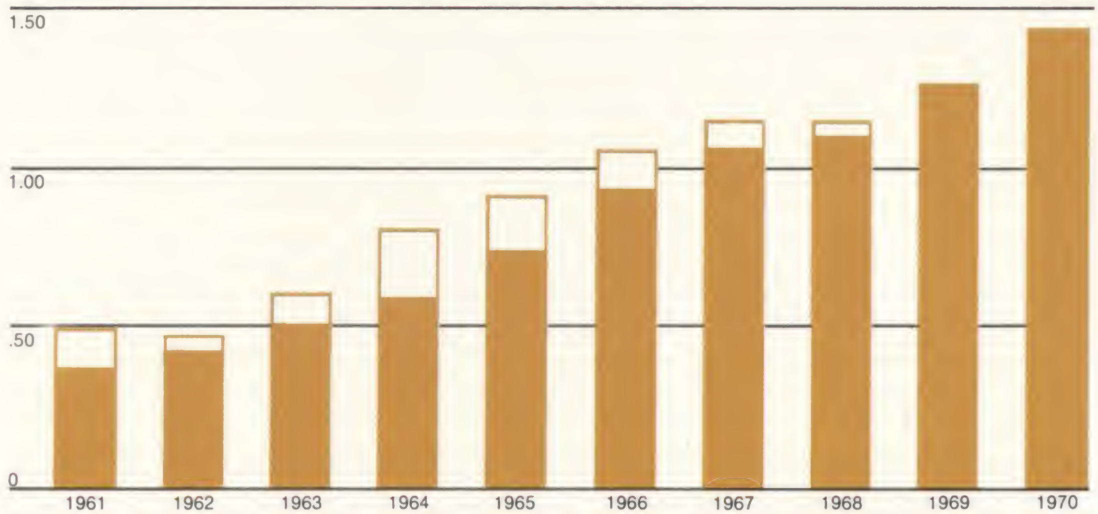
NET SALES
IN MILLIONS OF DOLLARS

ADJUSTED FOR POOLING
AS REPORTED

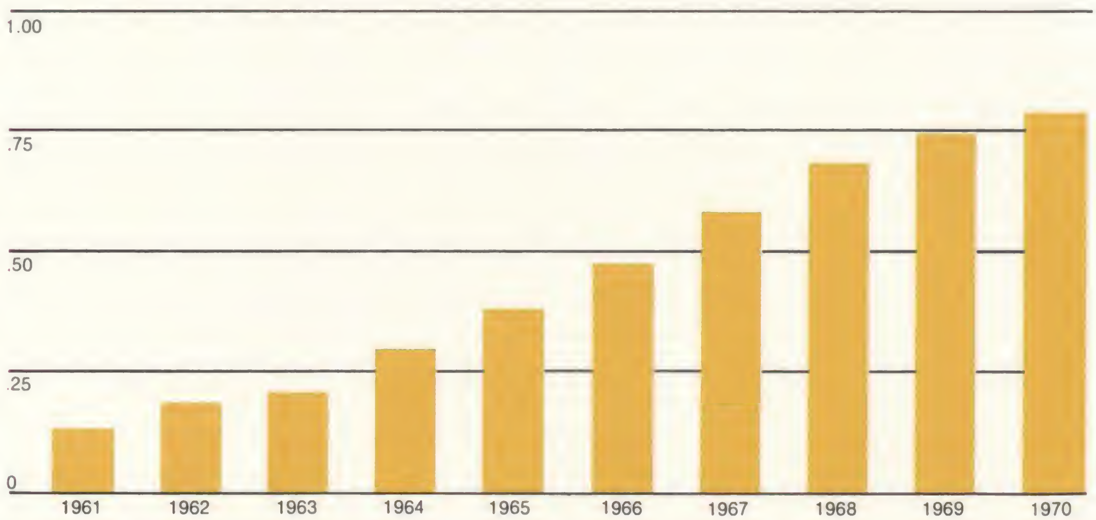


NET INCOME – PER COMMON SHARE

ADJUSTED FOR POOLING
AS REPORTED



DIVIDENDS DECLARED



HEUBLEIN, INC.
CONSOLIDATED STATEMENT OF INCOME
Years ended June 30, 1970 and 1969

	1970	1969
Net sales	**$583,072,000**	$520,855,000
Cost of sales	**437,350,000**	394,373,000
	145,722,000	126,482,000
Expenses:		
Selling and advertising	**87,455,000**	76,313,000
Administrative and general	**15,923,000**	12,142,000
	103,378,000	88,455,000
	42,344,000	38,027,000
Other deductions (income):		
Interest expense	**5,908,000**	1,903,000
Interest income	**(1,220,000)**	(204,000)
Gain on sales of assets – net	**—**	(332,000)
Miscellaneous – net	**(347,000)**	(443,000)
	4,341,000	924,000
Income before provision for income taxes	**38,003,000**	37,103,000
Provision for income taxes:		
Federal	**18,538,000**	18,436,000
State	**2,019,000**	2,097,000
	20,557,000	20,533,000
Net income	**$ 17,446,000**	$ 16,570,000
Earnings per share (Note 7):		
Common and common equivalent	**$1.45**	$1.27
Assuming full dilution	**$1.36**	$1.21

See accompanying notes.

HEUBLEIN, INC.
CONSOLIDATED BALANCE SHEET
June 30, 1970 and 1969

ASSETS	1970	1969
Current assets:		
Cash	**$ 9,179,000**	$ 6,381,000
Accounts and notes receivable	**66,791,000**	66,054,000
Inventories, at lower of cost (first-in, first-out) or market:		
Finished products	**19,073,000**	16,235,000
Products in process	**2,935,000**	3,727,000
Bulk whiskey and wines	**41,881,000**	32,269,000
Raw materials	**10,928,000**	11,776,000
Total inventory	**74,817,000**	64,007,000
Prepaid expenses	**2,779,000**	2,333,000
Total current assets	**153,566,000**	138,775,000
Property, plant and equipment, at cost:		
Land and vineyards	**9,219,000**	7,138,000
Buildings	**68,410,000**	64,191,000
Machinery and equipment	**71,764,000**	68,827,000
Wine tanker	**6,974,000**	6,974,000
	156,367,000	147,130,000
Less accumulated depreciation – accelerated and straight-line methods	**86,900,000**	81,693,000
Net property, plant and equipment	**69,467,000**	65,437,000
Investment in affiliated companies (Note 1)	**1,090,000**	—
Trademarks and contracts, at cost less amortization	**2,056,000**	2,277,000
Cost in excess of net assets of purchased businesses, less amortization	**7,153,000**	7,256,000
Other assets	**5,358,000**	3,426,000
	$238,690,000	$217,171,000

See accompanying notes.

LIABILITIES AND STOCKHOLDERS' EQUITY	1970	1969
Current liabilities:		
Notes payable	$ 475,000	$ 19,285,000
Current portion of long-term debt	8,803,000	8,850,000
Accounts payable	20,063,000	25,879,000
Accrued expenses	11,952,000	10,187,000
Taxes:		
Federal and state taxes on income (Note 2)	10,410,000	10,108,000
Other	16,496,000	15,873,000
Cash dividends payable	2,540,000	2,361,000
Total current liabilities	70,739,000	92,543,000
Long-term debt, due after one year (Note 3):		
5¾% convertible subordinated debentures	50,000,000	—
Other	22,345,000	38,792,000
	72,345,000	38,792,000
Stockholders' equity (Note 4):		
Preferred stock	45,347,000	52,125,000
Common stock	5,495,000	5,389,000
Paid-in surplus	13,229,000	10,128,000
Earned surplus	31,535,000	24,052,000
	95,606,000	91,694,000
Less cost of 158,790 shares of common stock in treasury in 1969	—	(5,858,000)
Total stockholders' equity	95,606,000	85,836,000
	$238,690,000	$217,171,000

See accompanying notes.

CONSOLIDATED STATEMENT OF PAID-IN SURPLUS

Years ended June 30, 1970 and 1969

	1970	1969
Balance at beginning of year	**$10,128,000**	$ 3,390,000
Excess of option price over stated value of common stock issued on exercise of options (Note 4)	**1,145,000**	1,409,000
Excess of par value of 22,675 (2,836 in 1969) shares of 5% convertible preferred and stated value of 2,766 (259 in 1969) shares of Series A preferred over stated value of 136,320 (17,041 in 1969) shares of common stock issued upon conversion	**2,227,000**	279,000
Adjustment for differences between cost and par or stated value of preferred stocks purchased	**(13,000)**	5,050,000
Cost in excess of market value of treasury shares used in acquisitions (Note 5)	**(270,000)**	—
Other	**12,000**	—
Balance at end of year	**$13,229,000**	$10,128,000

CONSOLIDATED STATEMENT OF EARNED SURPLUS

Years ended June 30, 1970 and 1969

	1970	1969
Balance at beginning of year	**$24,052,000**	$18,200,000
Net income	**17,446,000**	16,570,000
Cash dividends declared:		
5% preferred stock	**(1,377,000)**	(2,733,000)
Common stock – $.79 per share ($.75 in 1969)	**(8,586,000)**	(7,774,000)
Adjustments in connection with merger with Heublein Allied Vintners, Inc. – net	—	(211,000)
Balance at end of year	**$31,535,000**	$24,052,000

See accompanying notes.

HEUBLEIN, INC.
CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS
Years ended June 30, 1970 and 1969

	1970	1969
SOURCES		
Operations:		
Net income	**$17,446,000**	$16,570,000
Charges not requiring funds:		
Depreciation and amortization	**7,668,000**	8,175,000
Other	**—**	374,000
Funds provided from operations	**25,114,000**	25,119,000
Proceeds from exercise of common stock options (Note 4)	**1,183,000**	3,388,000
Book value of assets sold	**1,510,000**	808,000
Increase in long-term debt – net	**33,553,000**	30,941,000
Market value of treasury stock used in acquisitions (Note 5)	**5,614,000**	—
	$66,974,000	$60,256,000
USES		
Cash dividends	**$ 9,963,000**	$10,507,000
Portion of net income applicable to Vintners prior to merger transferred to preferred and common stock of Company	**—**	585,000
Purchase of treasury stock and partial redemptions of series preferred stock (Note 4)	**4,522,000**	32,914,000
Additions to property, plant and equipment	**12,705,000**	10,602,000
Investment in affiliated companies (Note 1)	**1,090,000**	—
Additions to cost in excess of net assets of purchased businesses (Note 5)	**113,000**	858,000
Other	**1,986,000**	1,103,000
Increase in working capital	**36,595,000**	3,687,000
	$66,974,000	$60,256,000

See accompanying notes.

HEUBLEIN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 1970

Note 1 – Investment in affiliated companies
During the year, the Company, through a subsidiary, United Vintners, Inc. (United), acquired a 49% interest in a newly-formed joint venture, Madera Glass Company (Madera), which will manufacture bottles for United under a long-term contract in a plant presently under construction. The holder of the 51% interest in Madera will supervise its operations.

In accordance with the terms of various agreements among Madera, its lenders and its stockholders, the stockholders of Madera have agreed to make advances, if necessary, in equal amounts, by means of subordinated loans, to maintain Madera's working capital at a minimum of $1,000,000. The 51% stockholder may limit its participation in such advances to $1,500,000. If additional advances are required and the 51% stockholder elects not to participate, then United is to make such advances at which time it will become sole owner and operator of Madera.

The Company has a 49% interest in a joint venture formed to construct and operate a winery in Portugal. This winery began full operations in May 1970. Under terms of a revolving credit agreement, the Company has guaranteed a $1,100,000 line of credit to the joint venture, of which $300,000 had been borrowed at June 30, 1970. The two members of the joint venture have also signed a letter of intent to form a related marketing joint venture in which the Company will own 51%.

The investment in these affiliated companies is carried at cost, which approximates equity, in the accompanying consolidated balance sheet.

Note 2 – Contingent tax liabilities
In February 1969, the Company completed the acquisition of a controlling interest (82%) in Heublein Allied Vintners, Inc. and its wholly-owned subsidiary, United. Because of certain contingent tax liabilities and contested property taxes and related expenses of United existing at the time of the merger, 300,000 shares of the Company's Series A convertible preferred stock were not issued at the time of the merger under the terms of a holdback agreement and a liability representing the stated value of such shares was provided. Such shares may be issued ratably under a formula if the settlement of the tax claims and related expenses amounts to less than the $3,000,000 amount originally set up as a tax liability. As of June 30, 1970 settlement of income and property taxes and related expenses totalling approximately $756,000 have been charged against the amount originally provided and have also reduced the potential maximum additional shares of the Company's Series A convertible preferred stock issuable under the terms of the holdback agreement to 224,425 shares, of which 47,129 shares would be issuable to Grape Factors, Inc. (see Note 5).

Note 3 – Long-term debt
At June 30, 1970, long-term debt due after one year was as follows:

5¾% convertible subordinated debentures, due September 1, 1994	$50,000,000
Other:	
Notes payable to bank, interest at ¼% above prime rate (prime rate 8% at June 30, 1970), payable in annual installments of $8,000,000 to March 31, 1973	$16,000,000
5¼% mortgage note payable in annual installments of $750,000 to August 31, 1973 (re wine tanker)	2,250,000
Mortgage note payable, interest at ½% above prime rate, payable in annual installments of $1,000,000 beginning August 31, 1974 (re wine tanker)	3,000,000
Other	1,095,000
	$22,345,000

The 5¾% subordinated debentures sold during the year are convertible into common stock at approximately $42.25 per share (1,183,500 shares) and are subject to redemption through annual sinking fund payments beginning in 1980 of not less than 6% nor more than 12% of the principal amount of debentures outstanding on August 31, 1979.

The most restrictive terms of the long-term debt require the Company to maintain consolidated working capital of $35,000,000 and stockholders' equity of $70,000,000 and limit the purchase of the Company's capital stock and the payment of cash dividends. Consolidated earned surplus not so restricted at June 30, 1970 amounted to approximately $6,916,000.

Note 4 – Capital stock
A summary of capital stock follows:

	June 30	
	1970	1969
5% preferred – par value $100 per share, 500,000 shares authorized, outstanding 102,427 shares (103,517 in 1969)	$10,243,000	$10,352,000
5% convertible preferred – par value $100 per share, 200,500 shares authorized, each share convertible into six shares of common stock, outstanding 171,450 shares (194,375 in 1969)	17,145,000	19,437,000
Series preferred stock – without par value, authorized 5,000,000 shares:		
Series A convertible, non-dividend, stated value $10 per share, each share convertible into .10 share of common stock, outstanding 1,544,297 shares (1,733,693 in 1969)	13,581,000	17,337,000
Series B convertible, non-dividend, stated value $10 per share, each share convertible into .2974 share of common stock, outstanding 437,785 shares (499,913 in 1969)	4,378,000	4,999,000
Total preferred stock	45,347,000	52,125,000
Common stock – without par value, stated value $.50 per share, 20,000,000 shares authorized, issued 10,990,977 shares (10,778,930 in 1969)	5,495,000	5,389,000

Under sinking fund provisions, the Company is required to redeem 16,801 shares of the 5% preferred stock on December 30 in each year from 1971 to 1995 at $100 per share. Since 317,605 shares have been purchased and retired, no redemption is required before 1988. Both classes of 5% preferred stock are subject to redemption in whole or in part at the option of the Company in the year beginning December 31, 1970 at $105 per share and at $1 less per share each year thereafter but not less than $100 per share after December 31, 1975.

Both the Series A and B convertible stock classes are redeemable at the option of the holder at the rate of ⅙ per year beginning November 1, 1969 for the Series A shares (of which $1,862,000 has been redeemed through June 30, 1970) and ⅕ per year beginning November 1, 1970 for the Series B shares. The Company has the option to redeem both classes in whole or part for $10 per share beginning November 1, 1976, less any amounts theretofore paid.

At the beginning of the year options for the purchase of 452,936 shares were outstanding under the Company's qualified and restricted stock option plans. During the year, options as to 100,500 shares were granted, options as to 40,834 shares were surrendered or forfeited and options previously outstanding were exercised as to 75,727 shares at prices of $13.19 to $32.75 (an average of $15.62) per share. At June 30, 1970 options as to 436,875 shares were outstanding at prices of $12.78 to $41.94 (an average of $33.65) per share of which options as to 110,851 shares were exercisable and options as to 347,834 shares (407,500 a year earlier) could be granted under the qualified plan.

At June 30, 1970, common stock was reserved as follows:

	Shares
Conversion of outstanding:	
5¾% convertible subordinated debentures	1,183,500
5% convertible preferred stock	1,028,700
Series A convertible preferred stock	135,809
Series B convertible preferred stock	130,197
Stock options	784,709
	3,262,915

In addition, a maximum of 224,425 shares of Series A convertible preferred stock may be issued depending upon the outcome of certain contingent tax liabilities (see Note 2) and 22,443 common shares are reserved for conversion of these shares.

Note 5 – Acquisitions
During the year, the Company purchased for 149,005 shares of its common stock held in treasury, all of the outstanding common stock of Grape Factors, Inc. Included in Grape Factors' assets were 186,630 shares and 62,128 shares, respectively, of the Company's Series A and Series B convertible preferred stock (acquired by Grape Factors in connection with the Company's previous acquisition of a controlling interest in United Vintners, Inc.) and the right to receive additional shares of the Company's Series A preferred stock under the holdback agreement (see Note 2). The Company also purchased during the year certain assets and the businesses of two of its distributors for $418,000 and 10,500 shares of its common stock held in treasury. The operations of these three acquisitions, which were not material, have been included since the respective dates of purchase.

Based on a reevaluation of the assets acquired in the purchase of all of the common stock of Beaulieu Vineyard in June 1969, $500,000 and $1,036,000 previously included in trademarks and contracts and cost in excess of net assets of purchased business, respectively, have been reclassified as of June 30, 1969 to accounts receivable, inventories and property, plant and equipment.

Note 6 – Pension plans
Pension expense including amortization of prior years' service cost under plans covering substantially all employees amounted to $1,953,000 in 1970 and $1,527,000 in 1969. The Company's policy is to fund the amounts accrued.

Note 7 – Per share data
Earnings per common share and common share equivalent are based upon the Company's average number of shares of common stock outstanding during the year and the number of common shares issuable on the exercise of stock options and on conversion of the Series B preferred shares. Earnings per common share assuming full dilution were determined on the assumption that all convertible debentures and outstanding preferred stocks had been converted and that outstanding stock options had been exercised.

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Stockholders
Heublein, Inc.

We have examined the accompanying consolidated balance sheet of Heublein, Inc. and subsidiaries at June 30, 1970 and the related consolidated statements of income, paid-in surplus, earned surplus and source and use of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have received the report of other public accountants with respect to their examination of the consolidated financial statements of Heublein Allied Vintners, Inc. and subsidiary, whose total assets and sales represent 35% and 22% of the respective consolidated totals.

In our opinion, based upon our examination and the report of other public accountants referred to above, the statements mentioned above present fairly the consolidated financial position of Heublein, Inc. and subsidiaries at June 30, 1970, the consolidated results of their operations and the source and use of their consolidated funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR YOUNG & COMPANY

New York, N.Y.
July 20, 1970

HEUBLEIN, INC.
COMPARISON WITH PRIOR YEARS
Dollars in thousands except per share statistics

FOR THE YEAR:	1970	1969	1968	1967	1966
Net sales	**$583,072**	$520,855	$485,112	$455,627	$416,886
Net income	**17,446**	16,570	15,496	15,589	14,297
Net income as a percent of sales	**2.99%**	3.18%	3.19%	3.42%	3.43%
Taxes of all kinds	**265,449**	242,906	216,816	200,745	187,168
Dividends:					
Preferred	**1,377**	2,733	3,026	3,043	3,049
Common	**8,586**	7,774	7,012	5,899	4,653
Earnings retained in the business	**7,483**	6,063	5,458	6,647	6,595
Depreciation	**7,214**	6,900	7,804	8,989	7,265
Capital expenditures	**12,705**	10,602	8,609	9,836	10,612
Per common share:*					
Net income – per common share and common equivalent share	**1.45**	1.27	1.14	1.16	1.05
Dividends declared	**.79**	.75	.68	.58	.48
Income taxes	**1.86**	1.88	1.54	1.42	1.28
All taxes	**24.01**	22.26	19.89	18.53	17.48
AT YEAR END:					
Net property, plant and equipment	**69,467**	65,437	62,877	62,947	62,897
Working capital	**82,827**	46,232	42,545	35,777	31,686
Current asset ratio	**2.2 to 1**	1.5 to 1	1.5 to 1	1.5 to 1	1.4 to 1
Return on stockholders equity	**18.2%**	19.3%	14.2%	14.9%	14.5%
Number:					
Employees	**4,865**	4,858	4,736	4,733	4,570
Common shareholders	**16,322**	15,952	14,436	13,652	14,645
Common shares and common equivalent shares*	**11,057,501**	10,913,640	10,899,390	10,836,376	10,708,206
Preferred shares – $100 par value	**273,877**	297,892	603,227	607,354	609,773
Preferred shares – $10 stated value	**1,982,082**	2,233,606	2,234,164	2,234,164	2,234,164

The above statistical summary includes, in all years, amounts applicable to United Vintners, Theodore Hamm Brewing Co. and the Coastal Valley Canning Co. acquired in the fiscal years 1969, 1966 and 1966 respectively in transactions treated for accounting purposes as poolings of interests.

*Prior years adjusted for two-for-one stock split in October, 1967.

HEUBLEIN, INC.
OFFICERS AND DIRECTORS

DIRECTORS

DEWALT H. ANKENY
CHRISTOPHER W. CARRIUOLO
PETER M. FRASER*
EDWARD H. HAMM
RALPH A. HART*
JOHN G. MARTIN*
ARTHUR A. MILLIGAN
WILLIAM H. MORTENSEN*
FRANCES HEUBLEIN O'DELL
BARRY M. ROWLES
LESTER E. SHIPPEE*
B.C. SOLARI
ROBERT L. TRESCHER*
STUART D. WATSON*

*Members of Executive Committee

CORPORATE OFFICERS

RALPH A. HART
Chairman

JOHN G. MARTIN
Chairman of the Executive Committee

STUART D. WATSON
President and Chief Executive Officer

CHRISTOPHER W. CARRIUOLO
Senior Vice President
President,
Smirnoff Beverages and Imports Co.

JOSEPH A. PROCHASKA
Senior Vice President
Corporate Research and Development

BARRY M. ROWLES
Senior Vice President
President,
Theodore Hamm Brewing Co.

B.C. SOLARI
Senior Vice President
Chairman,
United Vintners, Inc.

PAUL R. DOHL
Vice President-General Counsel

EDWARD L. HENNESSY, JR.
Vice President-Finance

JOSEPH M. McGARRY
Vice President-Public Relations

JOHN M. TYSON, JR.
Vice President
General Manager,
Consumer Products Division

KURT E. VOLCKMAR
Vice President
General Manager,
Heublein International Division

JOHN R. BIFONE
Vice President
Management Information Systems

ALAN R. GRUBER
Vice President
Corporate Development

GEORGE J. CASPAR
Secretary

JOHN J. MORAN
Treasurer

OFFICERS OF DIVISIONS AND SUBSIDIARIES

Smirnoff Beverages and Imports Co.

CHRISTOPHER W. CARRIUOLO
President

WILLIAM W. BEHRMAN
Vice President
Arrow Liquors Company

RICHARD F. LARKINS
Vice President
Open States Sales Manager
Arrow Liquors Company

JAMES GALANTE
Vice President
Control States Manager
Arrow Liquors Company

WALTER E. COHAN
Vice President-Marketing

CHARLES J. HERBERT
Vice President
Smirnoff Sales Company

EDWARD F. MURPHY
Vice President-Control States
Smirnoff Sales Company

EDWARD D. HOROWITZ
Vice President-Open States
Smirnoff Sales Company

DONALD R. JACKSON
Vice President Administration
and Control

RICHARD F. NELSON
Vice President-Manufacturing

Theodore Hamm Brewing Co. – Subsidiary

BARRY M. ROWLES
President

ANDREW C. SPAHL
Vice President-Production

LEONARD L. JOHNSON
Vice President-General Sales Manager

JOHN F. KELLER
Vice President-Administration
and Control

H.G. WILLIAMS
Vice President-Sales Manager
St. Paul Division

RUSSELL J. FROMM
Vice President-Sales Manager
Chicago Division

RICHARD L. ANDERSON
Vice President-Sales Manager
San Francisco Division

WILLIAM E. SPENCER
Vice President-Sales Manager
Los Angeles Division

W.W. WADEL
Vice President-Sales Manager
Houston Division

JOHN E. THOMAS
Secretary

RALPH E. PETERSON
Controller

EUGENE A. BAUMBACH
Treasurer

United Vintners, Inc. – Subsidiary

B.C. SOLARI
Chairman of the Board
Chief Executive Officer

JOHN B. CELLA II
Vice Chairman of the Board
Vice President

RICHARD M. DOTY
Vice President-Secretary

F.W. SCHUMACHER
Vice President-Treasurer

W. ANDREW BECKSTOFFER
Vice President
Director of Planning

NEIL L. BIANCHINI
Vice President
National Sales Manager

JOSEPH CALABRESE
Vice President
Marketing Administrator

IRVING C. COTANCH
Vice President
Director of Advertising

JAMES G. GOTT
Vice President-Production

BRUCE W. JOHNSON
Vice President
Director of Marketing

JOHN E. McGRATH
Vice President
Direct Sales Manager

JAMES O. McMANUS
Vice President-Distribution

EDWARD A. ONGIONI
Vice President-Eastern Sales

EDWARD A. ROSSI, JR.
Vice President
Quality Control

ROBERT D. ROSSI
Vice President-Operations

Consumer Products Division

DAVID F. THAYER
Vice President-Sales

JOHN P. WILLIS
Vice President-Controller

H. KEITH McLAUGHLIN
Vice President-
Coastal Valley Operations

Beaulieu Vineyard

LEGH F. KNOWLES
Vice President
General Manager

OTTO GRAMLOW
Vice President
Treasurer

ANDRE TCHELISTCHEFF
Vice President
Wine Master

HEUBLEIN, INC. / PRINCIPAL OFFICES AND PLANTS

CORPORATE HEADQUARTERS
330 New Park Ave., Hartford, Conn. 06101 Code 203 233-4461

CONSUMER PRODUCTS DIVISION HEADQUARTERS
430 New Park Ave., Hartford, Conn. 06101 Code 203 233-4461

THEODORE HAMM BREWING CO. HEADQUARTERS
720 Payne Ave., St. Paul, Minn. 55101 Code 612 776-1561

BEAULIEU VINEYARD
57 Post St., San Francisco, Calif. 94104, Code 415 392-0157

INTERNATIONAL DIVISION HEADQUARTERS
430 New Park Ave., Hartford, Conn. 06101 Code 203 233-4461

SMIRNOFF BEVERAGES AND IMPORTS CO. HEADQUARTERS
330 New Park Ave., Hartford, Conn. 06101 Code 203 233-4461

UNITED VINTNERS, INC. HEADQUARTERS
601 Fourth St., San Francisco, Calif. 94107 Code 415 421-3213

Spirits and Wine Division – Arrow Cordials: Anisette, Creme de Almond, Creme de Banana, Creme de Cacao (Brown), Creme de Cacao (White,) Creme de Menthe (Green), Creme de Menthe (White), Curacao, Kummel, Kirsh, Ouzo, Peppermint Schnapps, Rock and Rye, Sloe Gin, Triple Sec • Arrow Flavored Brandies: Apricot, Blackberry, Coffee, Ginger, Old Fashioned Ginger Brandy, Peach, Wild Cherry • Arrow Flavored Gins: Lemon, Mint, Orange • Arrow Flavored Vodkas: Cherry, Grape, Lime, Mint, Orange, Peppermint • Arrow Vodka • Bisquit Cognacs: Baccarat Decanter, Extra, Napoleon, St. Martial, V.S.O.P. • Black Velvet Canadian Whisky • Club Cocktails: Daiquiri, Mai-Tai, Manhattan, Margarita, Martini, Screwdriver, Vodka Gimlet, Vodka Martini, Whiskey Sour • Don Q Gold Rum • Don Q White Rum • El Dorado Rum • Felipe II Spanish Brandy • Hartley Brandy • Irish Mist • Harveys Bristol Cream Sherry • Harveys Other Sherries and Ports: Amontillado Sherry, Bristol Dry Sherry, Bristol Fino Sherry, Bristol Milk Sherry, The Director's Bin Port, Gold Cap Port, Hunting Port, Shooting Sherry, Tico Cocktail Sherry • Heublein Banquet Cocktails • Heublein Full-strength Bottled Cocktails: Apricot Sour, Black Russian, Brandy Manhattan, Daiquiri, Extra Dry Gin Martini, 11-to-1 Gin Martini, Mai-Tai, Margarita, Manhattan, Old Fashioned, Side Car, Stinger, Tequila Sour, Vodka Gimlet, Vodka Martini, 11-to-1 Vodka Martini, Vodka Sour, Whiskey Sour • Heublein Full-strength Canned Cocktails: Daiquiri, Extra Dry Martini, Gimlet, Mai-Tai, Manhattan, Margarita, Vodka Martini, Whiskey Sour • Heublein Vermouth Sweet and Dry • Hungarian Spirits: Baracklikor Apricot Liqueur, Barack Palinka Apricot Brandy, Czaszkorte Pear Liqueur • Jose Cuervo Tequila • Lancers Vin Rosé • McMaster's Canadian • McMaster's Scotch • Matador Tequila • Milshire Charcoal Filtered Gin • Popov Vodka • Quinta Light Sweet Red Wine • Relska Vodka • Slivovitz Plum Brandy: Brauns Hungarian Slivovitz, Navip Yugoslavian Slivovitz • Smirnoff Vodka 80° • Smirnoff Vodka 100° • "Tonight" Dry Cocktail Mix: Bourbon Sour, Collins, Daiquiri, Gimlet, Mai-Tai, Margarita, Scotch Sour, Vodka/Gin Sour, Whiskey Sour • Tullamore Dew Irish Whiskey • Vinya Rose Table Wine • **Beaulieu BV Vineyard** (Estate Bottled Vintage Wines) – Altar Wines, Champagne and Sparkling Wines, Dessert Wines, Table Wines • **United Vintners, Inc.** – California Wines – G & D: Dessert Wines, Table Wines, Vermouths • G & D Fior Di California: Table Wines • G & D Greystone: Table Wines • G & D Margo: Dessert Wines • Greystone: Dessert Wines • Inglenook Vineyards: Champagne, Dessert Wines, Estate Bottled Napa Valley Vintage Table Wines, Napa Valley Vintage Table Wines • Italian Swiss Colony: Arriba Flavored Wine, Bali Hai Tropical Flavored Wine, Bali Hai Tropical Flavored Champagne, Brandy, Cappella Table Wine, Chianti Red Table Wine, Gold Chablis, Grenache Vin Rosé, Pink Chablis, Rhineskeller White Table Wine, Silver Satin Flavored Wine, Silver Satin & Bitter Lemon Flavored Wine, Swiss Up Flavored Wine, Tipo Red Table Wine, Vermouths, Vino Primo Red Table Wine • Italian Swiss Colony Napa-Sonoma-Mendocino: Table Wines • Italian Swiss Colony Private Stock: Champagne and Sparkling Wines, Dessert Wines, Table Wines • Italian Swiss Colony Gold Medal: Dessert Wines, Table Wines • Jacques Bonet: Brandy, Champagne and Sparkling Wines, Vermouths • Lejon: Brandy, Champagne and Sparkling Wines, Vermouths, Vin Kafe Aperitif Wine • Marca Petri: Table Wines, Vermouths • Petri: Brandy, Champagne and Sparkling Wines, Dessert Wines, Table Wines • Santa Fe: Dessert Wines, Table Wines • Santa Fe Vino Royal: Table Wines • International Vintage Imported Wines – Bertani Verona Italian Table Wines • Bouchard Pere & Fils Burgundy and Bordeaux Table Wines • Byrrh Aperitif French Cocktail Wine • Chateau Bottled Bordeaux Table Wines: Chateau Bouscaut (Graves), Chateau St. Georges (St. Emilion) • Harvey's Selection Table Wines (France & Germany) • Hungarian Wines: Tokay, Egri Bikaver • Kiku Masamune Japanese Sake • Paul Jaboulet Aine Rhone Table Wines • Rheinhof German Table Wines • Valle Freres French Table Wines • **Consumer Products Division** – A.1. Sauce • Escoffier Sauce Diable • Escoffier Sauce Robert • Grey Poupon Mustard • Ortega Diced Green Chiles • Ortega Diced Pimientos • Ortega Enchilada Sauce • Ortega Green Chile Salsa • Ortega Green Chile Strips • Ortega Hot (Jalapenos) Peppers • Ortega Sliced Pimientos • Ortega Taco Sauce • Ortega Tomatoes & Hot Green Chiles • Ortega Whole Green Chiles • Ortega Whole Pimientos • Snap-E-Tom Tomato Cocktail • **Theodore Hamm Brewing Company** – Buckhorn Beer • Hamm's Beer • Waldech Beer

ANNUAL SHAREHOLDERS' MEETING

The annual meeting of shareholders of Heublein, Inc., will be held at 11 a.m., Thursday, October 15, 1970 in the Plaza Room of the Hotel Sonesta, Constitution Plaza, Hartford, Conn.

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CREDITS
Clothing: Yves St. Laurent Boutique, New York
Glassware: "Exquisit" crystal, Paul Straub Co., New York

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